



United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

B-272037

May 29, 1996

The Honorable Lauch Faircloth  
Chairman, Subcommittee on Clean Air,  
Wetlands, Private Property, and Nuclear Safety  
Committee on Environment and Public Works  
United States Senate

Dear Mr. Chairman:

Concerned about the Environmental Protection Agency's (EPA) extensive use of grants and agreements,<sup>1</sup> you asked us to develop data for fiscal years 1993 through 1995 on the total dollar value of grants awarded and agreements entered into by specific offices within EPA and to categorize the recipients by type of organizations, including state and local governments, other federal agencies, universities, research facilities, and other organizations. EPA awards grants and enters into agreements for several purposes, such as (1) helping fund pollution control programs that have been delegated to state and local governments; (2) conducting workshops, conferences, surveys, or studies; and (3) performing scientific research.

In summary, we found that during the 1993 through 1995 fiscal year period, EPA awarded new grants and entered into new agreements totaling \$11.1 billion,<sup>2</sup> or about 54 percent of its \$20.8 billion budget. Although 12 EPA offices were

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<sup>1</sup>Throughout this report, we refer to grants, cooperative agreements, and interagency agreements as grants and agreements. Grants provide financial assistance to organizations to carry a program without substantive federal involvement. Cooperative agreements provide financial assistance and require substantive federal involvement to carry out a program. Interagency agreements transfer funds between federal agencies. This report does not address EPA's procurement by contracts.

<sup>2</sup>In addition, according to an EPA official, during the 3 fiscal years, EPA modified grants and agreements originally awarded and entered into prior to fiscal year 1993, adding a total of \$738 million. We did not include an analysis of these modifications in this report.

responsible for awarding grants and entering into agreements, over 65 percent, or \$7.3 billion, of the total dollars were provided through EPA's Office of Water. More than 99 percent of the grants awarded by the Office of Water were grants to state and local agencies. EPA's Office of Solid Waste and Emergency Response made awards and entered into agreements totaling more than \$917 million, over 8 percent of the total dollars provided. Both the Office of Air and Radiation and Office of Research and Development awarded grants and entered into agreements valued at about 5 percent of the total dollars provided. The remaining eight offices provided 17 percent of the \$11.1 billion dollars provided. Only 1 of the 12 offices, the Office of Solid Waste and Emergency Response showed a major change in the total dollars provided over the 3-year period, with grant dollars awarded to state and local governmental agencies decreasing from \$249 million in 1993 to \$175 million in 1995. Significant shifts also occurred in grants awarded for workshops, conferences, and nonscientific studies, which increased from nearly \$128 million awarded in fiscal year 1993 to about \$246 million in fiscal year 1995, a 91-percent increase over the 3-year period. At the same time, the amount for scientific research increased from \$161 million in fiscal year 1993 to \$188 million in fiscal year 1995, a 17-percent increase over the 3-year period. According to EPA officials, the Congress directed larger increases in the workshops, conferences, and nonscientific studies category than it did for the research category. ( See enc. I for additional details.)

During the 3 fiscal years, the \$11.1 billion grants and agreements were provided to 4,021 grantees. The largest category of recipients was state and local governmental agencies,<sup>3</sup> accounting for 79 percent or \$8.8 billion. These grants provided funding primarily for state and local agencies to operate EPA programs such as (1) air pollution control, (2) pesticides and toxic substances compliance monitoring, (3) hazardous waste management, and (3) water quality programs. Additionally, EPA entered into interagency agreements with 36 federal agencies--totaling about \$1.5 billion, 14 percent of the total dollars provided in fiscal years 1993 through 1995. The Department of Defense received the largest amount, about 35 percent of \$1.5 billion provided. Universities and research organizations received about \$484.5 million, over 4 percent of the total dollars provided in grants and agreements during fiscal years 1993, 1994, and 1995. Other organizations received the remaining \$345 million,<sup>4</sup> over 3 percent of the funds provided through grants and agreements during fiscal years 1993, 1994, and 1995. (See enc. II for additional details.)

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<sup>3</sup>This category includes state and local governmental agencies, Indian tribes, and schools in the asbestos abatement program.

<sup>4</sup>Other organizations include secondary schools, religious and ethnic groups, environmental advocacy groups, professional organizations, associations for retired persons, individuals, and others.

AGENCY COMMENTS

We provided a draft of this report to EPA for its review and comment. In commenting on the report, the Chief of EPA's Grants Operations Branch agreed that the data presented were accurate and reflect actual EPA expenditures in the various program areas. We have incorporated clarifying comments provided by EPA where appropriate.

SCOPE AND METHODOLOGY

In conducting our work, we obtained EPA's database of grants awarded and agreements entered into during fiscal years 1993, 1994, and 1995 from its Grants Information and Analysis Branch. Using EPA's database, we determined the total dollar value of grants awarded and agreements entered into by each EPA office and the value of grants and interagency agreements received by state and local governmental agencies, federal agencies, universities, research facilities, and other organizations. We did not independently verify the accuracy of EPA's database. We performed our work from January to May 1996 in accordance with generally accepted government auditing standards.

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As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 14 days after the date of this letter. At that time, we will send copies of the report to the EPA Administrator and other interested parties. We will also make copies available to others upon request.

If you or your staff have any questions, please contact me at (202) 512-6111.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Peter F. Guerrero', with a long horizontal flourish extending to the right.

Peter F. Guerrero  
Director, Environmental Protection  
Issues

Enclosures - 2

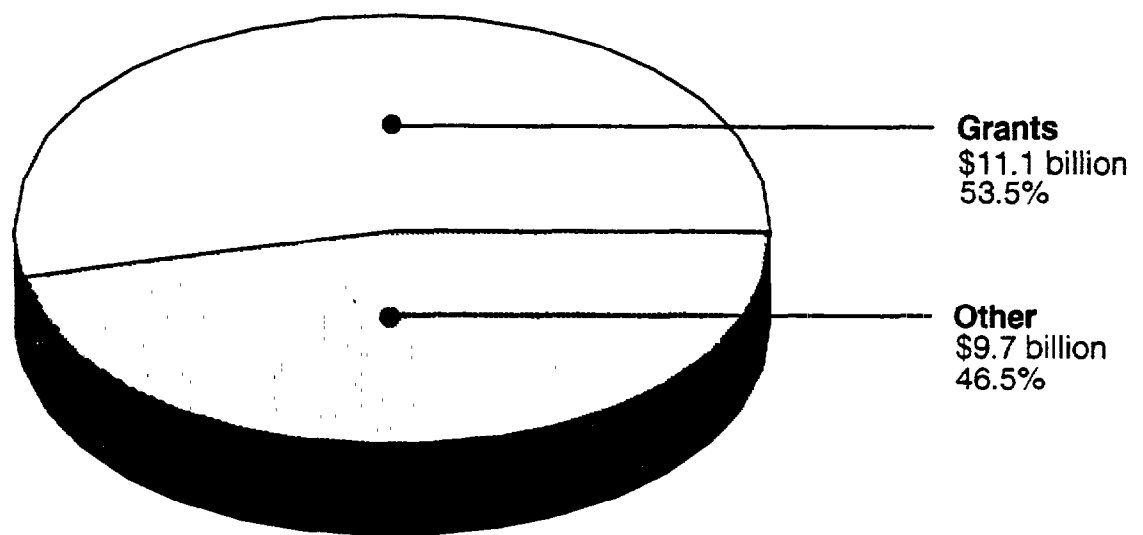
INFORMATION ON THE DOLLAR VALUE OF EPA'S GRANTS AND AGREEMENTS

This enclosure presents information on the dollar value of grants and agreements awarded by the Environmental Protection Agency (EPA) during fiscal years 1993 through 1995, including the grants and agreements awarded by each of its program offices. Also shown is information on grants and agreements awarded by organizational units within EPA program offices. In addition, certain trend data are presented for grant dollars awarded by the Office of Solid Waste and Emergency Response as well as trend data for grant dollars awarded for workshops, conferences, and nonscientific studies compared with dollars awarded for scientific research.

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**GAO**    **Percent of EPA's Budget Provided Through Grants  
Awarded and Agreements Entered Into, Fiscal Years  
1993 Through 1995**

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**Notes:**    Grants include grants, cooperative agreements and interagency agreements.

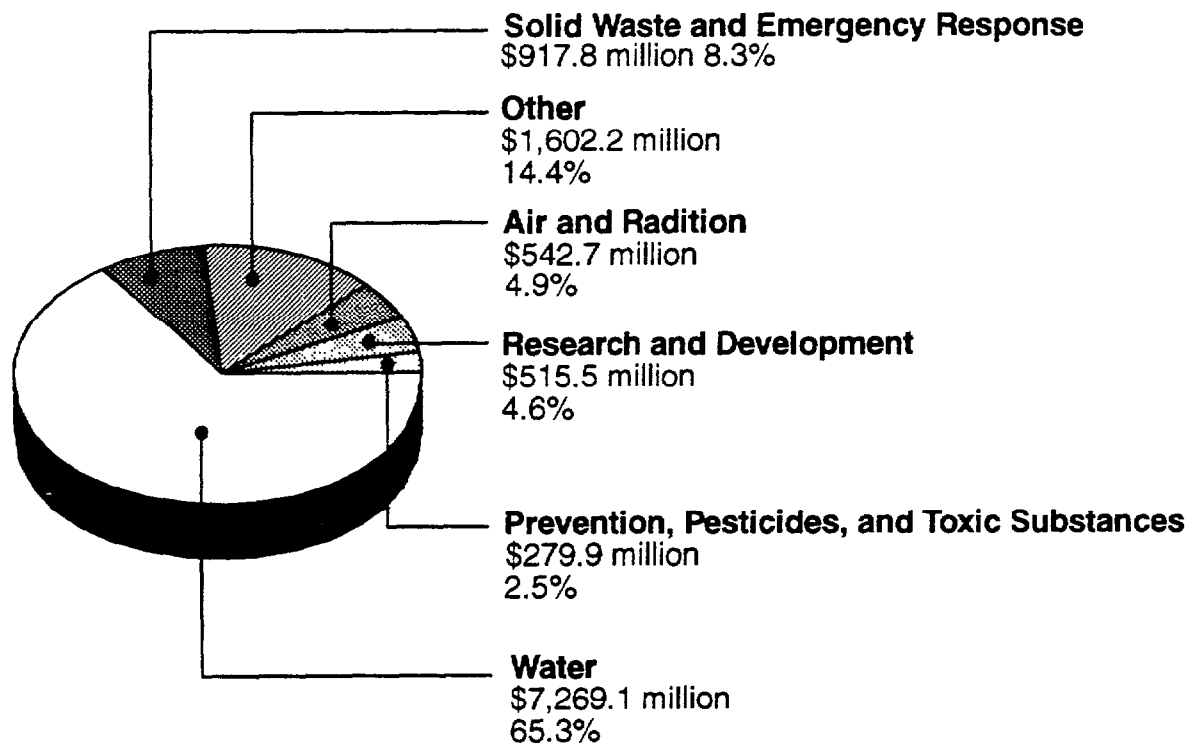
Other includes all other EPA expenditures, except grants and agreements.

**Source:**    Prepared by GAO, using EPA data.

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**GAO** Grants Awarded and Agreements Entered Into by  
Each EPA Organization, Fiscal Years 1993 Through  
1995

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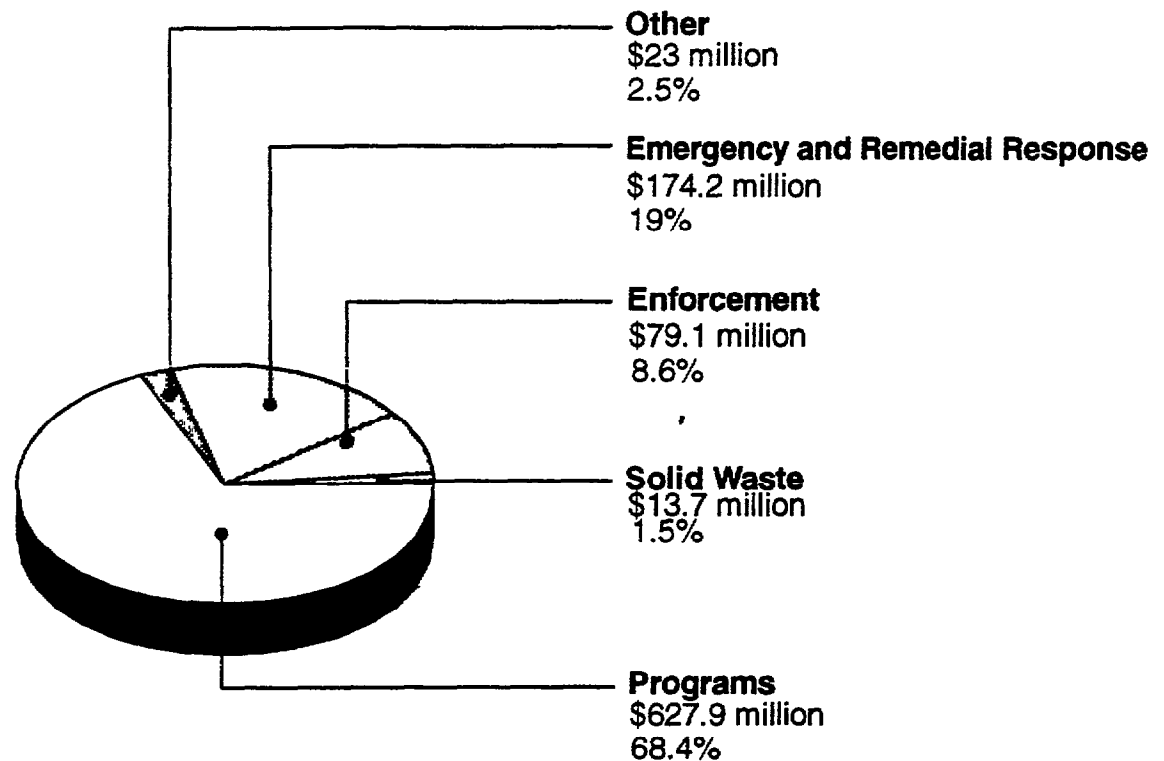
**Notes:** Other includes the Office of EPA Administrator; Office of Administration and Resources Management; Office of General Counsel; Office of Inspector General; Office of Enforcement and Compliance Assurance; Office of International Activities; and Office of Policy, Planning, and Evaluation.

**Source:** Prepared by GAO, using EPA data.

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**GAO** Grants Awarded and Agreements Entered Into by  
EPA's Office of Solid Waste and Emergency  
Response, Fiscal Years 1993 Through 1995

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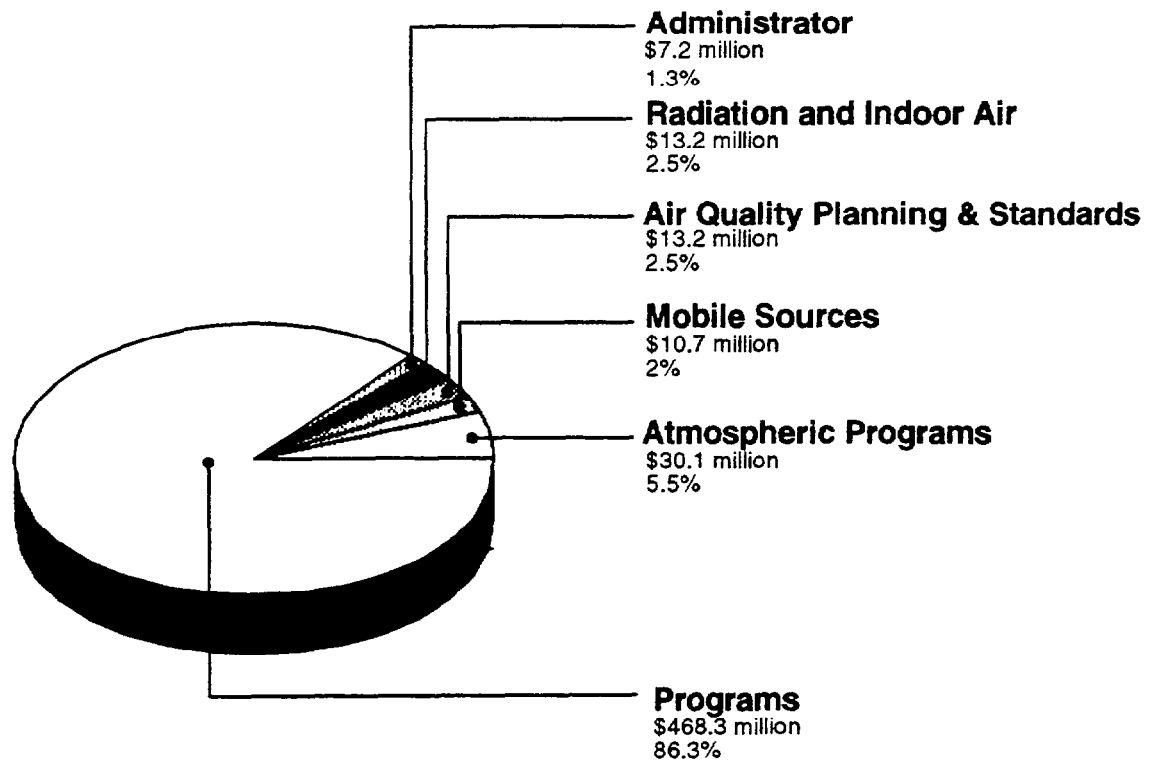
**Notes:** Programs: Grants to state and local government agencies and other organizations to carry out EPA's hazardous waste management programs, hazardous substances response program and other hazardous waste programs.

**Source:** Prepared by GAO, using EPA data.

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**GAO** Grants Awarded and Agreements Entered Into by  
EPA's Office of Air and Radiation, Fiscal Years 1993  
Through 1995

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Notes: Administrator: The Assistant Administrator for Air and Radiation.

Percentages do not add to 100 percent due to rounding.

Programs: Grants awarded to state and local government agencies and other organizations to carry out EPA's air pollution control programs, indoor radon program, and other programs.

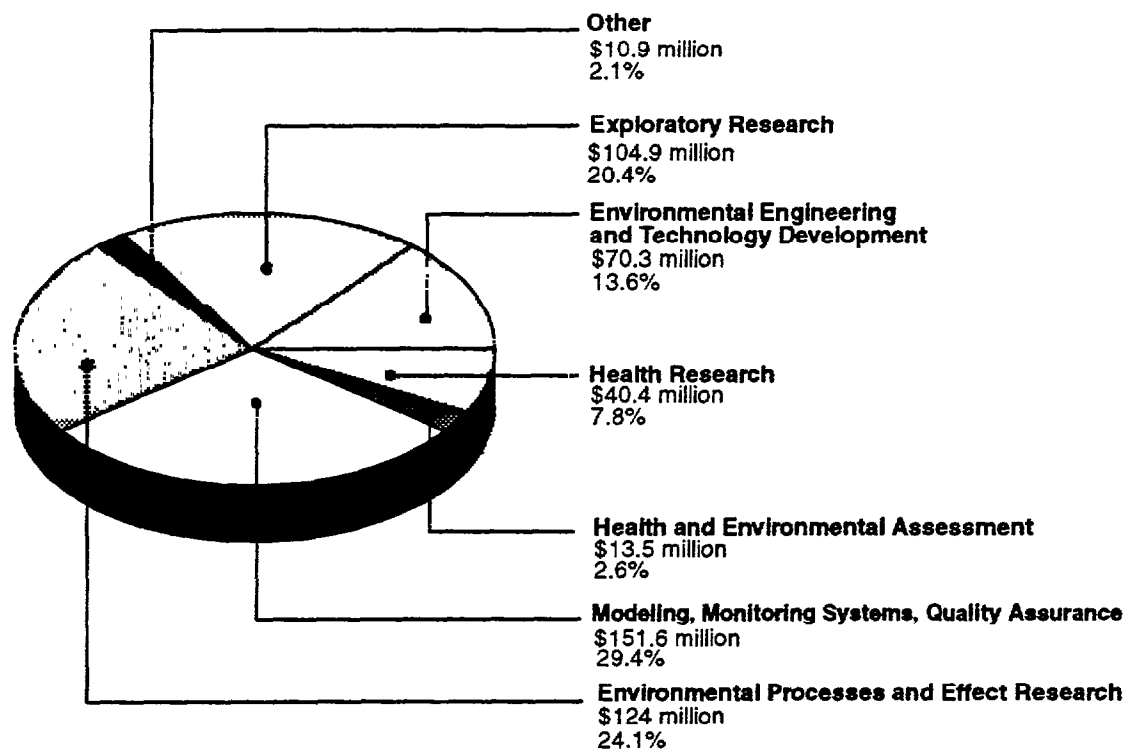
Source: Prepared by GAO, using EPA data.



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**GAO**    Grants Awarded and Agreements Entered Into by  
EPA's Office of Research and Development,  
Fiscal Years 1993 Through 1995

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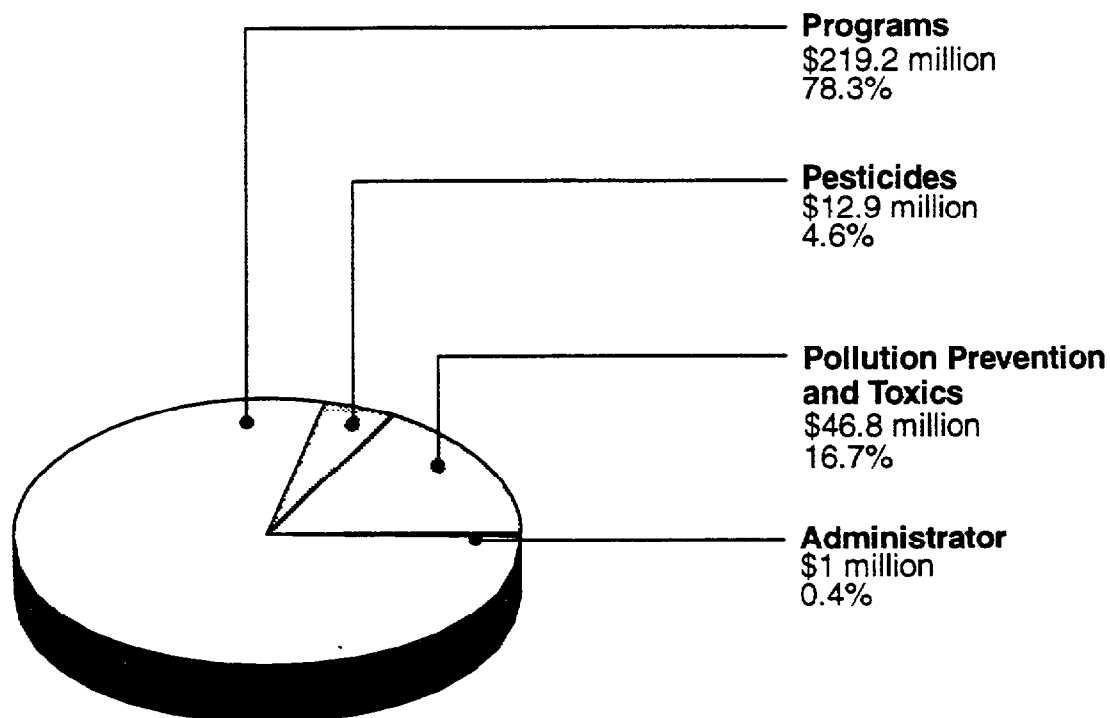
**Notes:**    Other includes the Office of Assistant Administrator for Research and Development; Office of Science, Planning, and Regulatory Evaluation; and Office of Research Program Management.

**Source:**    Prepared by GAO, using EPA data.

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**GAO**    Grants Awarded and Agreements Entered Into by  
EPA's Office of Prevention, Pesticides, and Toxic  
Substances, Fiscal Years 1993 Through 1995

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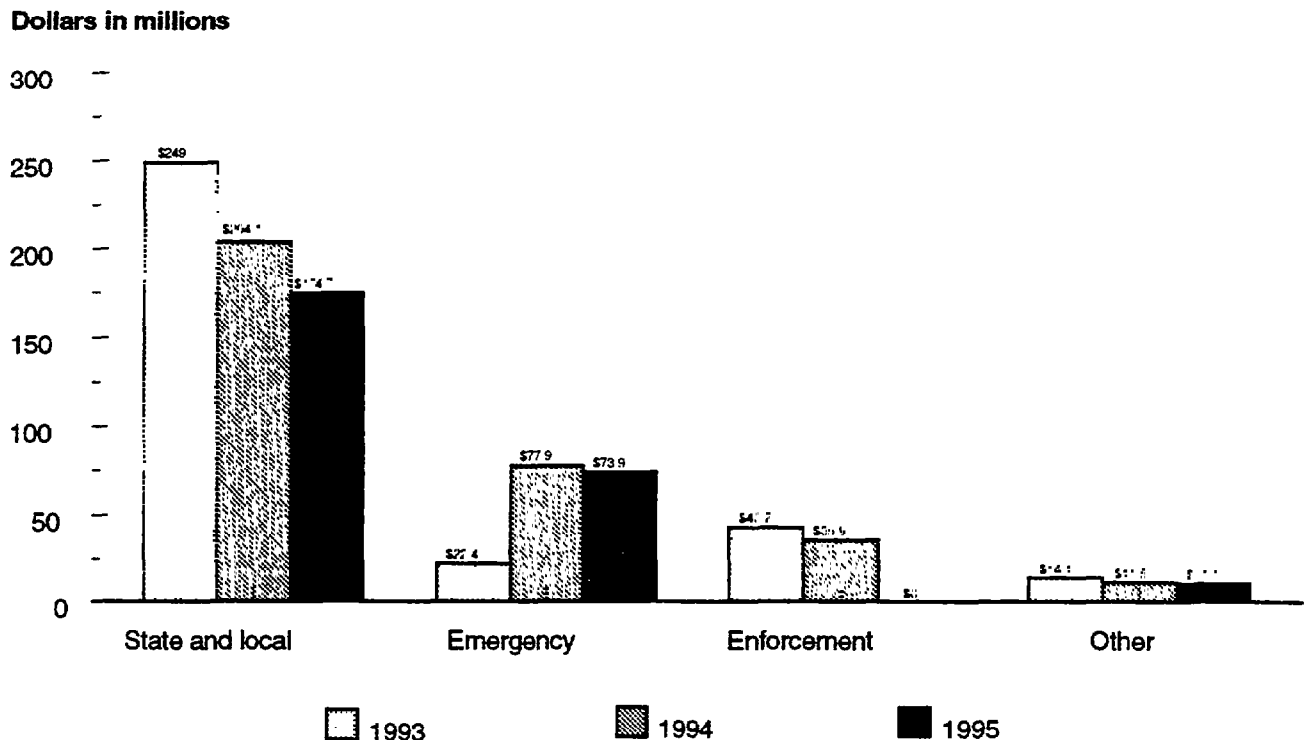


**Notes:**    **Programs:** Grants awarded to state and local government agencies and other organizations to carry out EPA's pesticides compliance monitoring programs, asbestos programs, toxic substances compliance monitoring programs, and pollution prevention programs.

**Administrator:** The Assistant Administrator for Prevention, Pesticides, and Toxic Substances.

**Source:**    Prepared by GAO, using EPA data.

# GAO Trends in Grants Awarded and Agreements Entered Into by EPA's Office of Solid Waste and Emergency Response, Fiscal Years 1993 Through 1995



Notes: State and local: Grants awarded to state and local governmental agencies.

Emergency: Grants awarded and agreements entered into by the Office of Emergency and Remedial Response.

Enforcement: Grants awarded and agreements entered into by the Office of Waste Program Enforcement.

Other: Grants awarded and agreements entered into by the Assistant Administrator for Solid Waste and Emergency Response, Office of Solid Waste, and Office of Underground Storage Tanks.

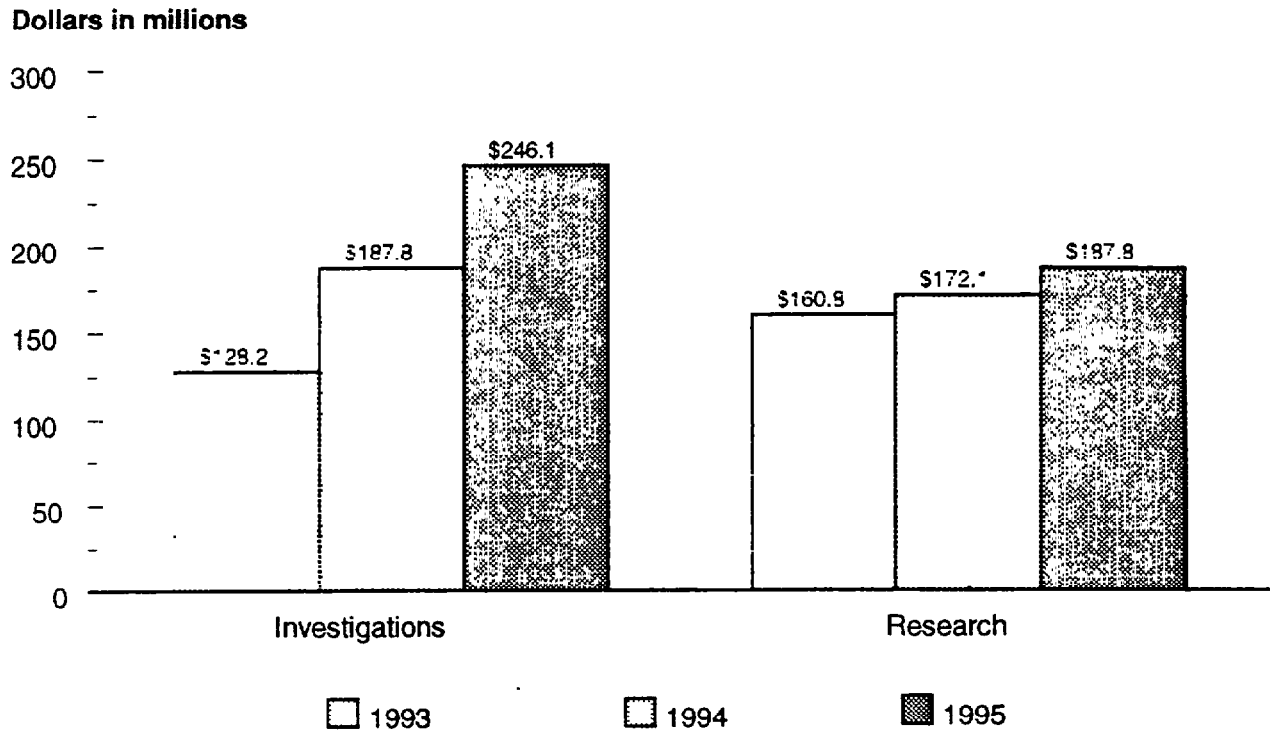
EPA officials were unable to provide a definite reason for the decrease.

Source: Prepared by GAO, using EPA data.

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**GAO** Trends in Grants Awarded and Agreements Entered Into  
by EPA for Research as Compared to Investigations,  
Surveys, and Studies, Fiscal Years 1993 Through 1995

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Notes: Investigations include workshops, conferences, and nonscientific studies.

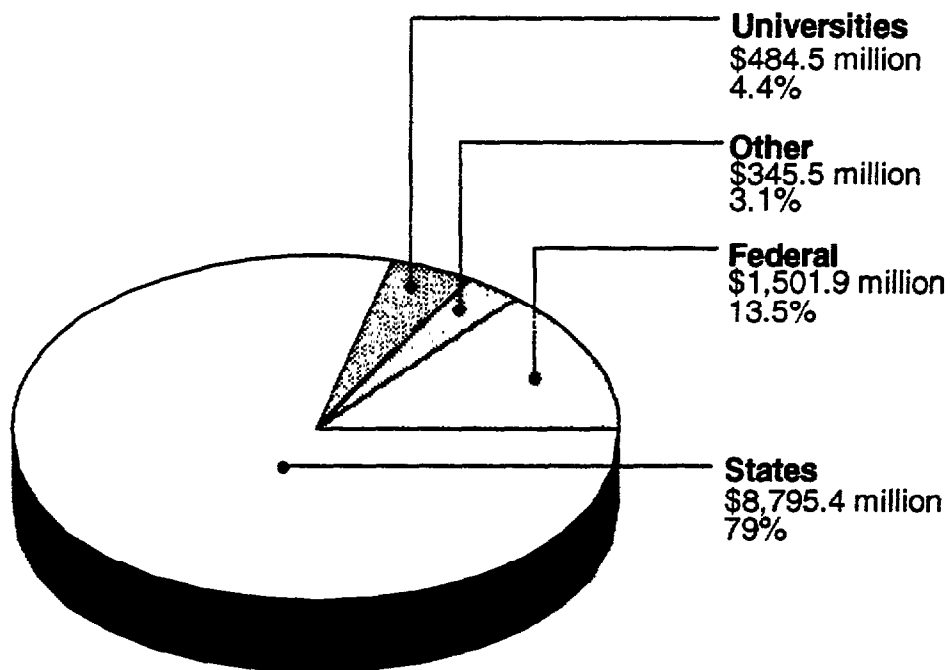
Research includes scientific studies.

Source: Prepared by GAO, using EPA data.

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**GAO**     **Grantee Type for Grants Awarded and Agreements  
Entered Into by EPA, Fiscal Years 1993 Through 1995**

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**Notes:**     **Universities include universities and other research facilities.**

**Other includes other organizations.**

**Federal is other federal agencies.**

**States include state and local government agencies.**

**Source:**     **Prepared by GAO, using EPA data.**

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